

## **MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS COMMITTEE**

**February 27, 2004 at 4:30 P. M.  
Room 303, State Capitol Building**

Members Present: Sen. Leonard Blackham, Committee Co-Chair  
Rep. Ron Bigelow, Committee Co-Chair  
Sen. Mike Dmitrich  
Sen. Karen Hale  
Pres. Al Mansell  
Sen. Michael Waddoups  
Sen. John Valentine  
Rep. Jeff Alexander  
Rep. Greg Curtis  
Rep. Brent Goodfellow  
Rep. Patricia Jones  
Rep. Brad King  
Rep. Karen Morgan  
Speaker Martin Stephens  
Rep. Michael Styler

Rep. Rebecca Lockhart, Vice Chair

Members Absent: Sen. Ron Allen  
Sen. Gene Davis  
Sen. Peter Knudson  
Sen. Bill Hickman, Vice-Chair

Staff Present: John Massey, Legislative Fiscal Analyst  
Michael Kjar, Deputy Director  
Sharon Johnson, Secretary

List of Others Present on File:

Committee Co-Chair Bigelow called the meeting to order at 9:05 p.m.

### **1. Approval of Minutes**

Sen. Blackham moved to approve the minutes of February 19, 2004, with the following changes: Page 4, 2nd paragraph after "The motion passed with Rep. Alexander voting no" add "and Reps. Jones and Goodfellow absent for the vote" and Page 5, paragraph 3 after "The motion passed unanimously" insert "with Rep. Jones absent for the vote". The motion to approve the minutes passed unanimously.

### **2. Intent Language, Supplemental Appropriations, and Fees**

Rep. Bigelow informed that the committee that the intent is to make a single motion on the packet that had been distributed which includes the white Motion Sheet dated Feb, 27, 2004, with the addition of one motion on yellow for Transportation, the pink Supplemental Intent Language Summary for FY 2004, and the gray Intent Language Summary for FY 2005.

The committee discussed the information presented to them. It was clarified that the information in the budget books is the same information that was handed out in packet form to the committee members.

John Massey stated that there is a correction at the Governor's request on page 12 of the Motion Sheet under "Compensation: State Agencies and Higher Ed - Salaries" to insert "in December" at the end of the paragraph.

**Motion:** Rep. Goodfellow moved that on the gray sheet item 127, on the 2nd line delete 1.5 and insert .5. This would result in a 4% first tier tuition increase. This motion also would apply to items 139, 155, 163, 171, 180, 188, 197, 205, and 213. The committee discussed whether or not this was the choice of the subcommittee. If the motion were to pass then the additional 1% would go to the schools to use as they choose. Boyd Garriott, Fiscal Analyst responded that the subcommittee was unanimous in the 3.0% tuition increase. Sen. Blackham commented that this amount will decrease the burden on the students. The committee commented on the wishes of the subcommittee as opposed to those expressed by the universities. Sen. Blackham told the committee members that motion changes included in the packet were approved by the chairs in advance. Rep. Goodfellow summarized that language is being approved to increase institutions flexibility but the amount is too limited.

**Amended Motion:** Rep. Curtis made an amendment to delete "The remaining " before "3.0% of the tuition increase".

The amended motion failed in the Senate with Sens. Blackham, Mansell, Valentine and Waddoups voting no and passed unanimously in the House. The motion failed.

**Motion:** Sen. Dmitrich moved to delete item 66 on page 6 on the gray sheet.

The motion passed unanimously in the Senate and passed in the House with Reps. Styler and Curtis voting no.

**Motion:** Rep. Alexander referred to page 5 of the white packet, section 3, second paragraph, regarding 2nd tier tuition, and moved that after "Utah Valley State College" delete "10%" and insert "11.5 %". Rep. Alexander explained that UVSC only receives 48% of its budget through state funding and needs the 2nd tier tuition increase to provide services.

The motion passed unanimously in the House and passed in the Senate with Sen. Blackham voting no.

Speaker Stephens referred to the three areas which have the same intent language regarding the Jean Massieu Charter School and the Utah School for the Deaf and Blind: the white packet, page 7; Tab 9, page 2 of the budget book ;and page 4 of the pink sheet. Each school uses a different method of sign language, one is ASL and the other is Signed Exact Language. The intent language of the subcommittee is to combine the services of the two schools.

**Motion:** Speaker Stephens moved to change on line 3 in the paragraphs regarding USDB and USOE combining services "may include" to "shall include"; which are behind Tab 9, page 2, item 2, Tab 9, pages 4 and 7, and item #255 on the gray sheet. The schools have the ability to cross teach without increased training or cost. Rep. Morgan spoke in support of the motion.

The motion passed unanimously in both houses with Rep. Curtis absent for the vote.

**Motion:** Speaker Stephens moved to delete item #1 on page 7 of the white packet, which includes language about combining services in items 255 and 260 of the gray sheet.

The motion passed unanimously in both the House and Senate.

Rep Jones asked for a point of clarification regarding 1st tier tuition and if the cap can be amended on the floor. The response was yes.

**Motion:** Sen. Valentine moved that one sentence be added to the pink sheet, Supplemental FY 2004 under Public Education, page 4: "It is the intent of the Legislature that the Davis School District may commit any excess capital funds to the completion of the Woods Cross High School soccer field." Mike Kjar commented that it is also necessary to insert that language in the School Finance Act and the motion includes putting that in the appropriate place.

The motion passed in the Senate with Sen. Blackham voting no and passed in the House with Reps. Bigelow and Styler voting no.

**Motion:** Sen. Valentine moved intent language for the Department of Corrections to add to page 1 of the white motions packet in Executive Offices and Criminal Justice:

It is the intent of the Legislature that the following line items in the Department of Corrections be consolidated for Fiscal Year 2004: Programs and Operations; Medical Services; and Utah Correctional Industries. The remainder of the Department's line items of appropriation will each remain separate line items. These are: Jail Contracting; Jail Reimbursement; and DP Internal Service Fund.

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The motion passed unanimously in both the House and the Senate

**Motion:** Sen. Blackham moved to approve all of the items included in the packet entitled "Motion Sheet - Executive Appropriations Committee" dated Friday, February 27, 2004. this packet includes motions regarding intent language, fees, budgets, compensation, revenue, and authority to prepare the Appropriations Act, Supplemental Appropriations Act, and School Finance Act.

This also includes on page 12 of the white packet the insertion of "in December" on the second to last motion as well as all amendments made by previous actions of the committee on Feb. 27, 2004.

There was discussion to the motion regarding fees. Sen. Waddoups expressed concern about the fees in Commerce that have increased for online services. This increase is the wrong policy if the intent of to try

and increase usage. Stan Eckersley, Fiscal Analyst stated that the \$10 fee that had been imposed in addition to the \$2 or \$3 fee had been deleted. He further explained that the fee increases not only cover the credit card costs but also the cost of developing the system which was not paid up front. The state is paying the commercial service that developed it. Rep. Curtis asked how the revenue generated from fees fit into budget. John Massey replied that the fees are shown as restricted funds in agencies, and the subcommittee can make changes in the use of the funds but they are not used for balancing the General Fund. The committee discussed the two fee schedules that had been distributed. The buff copy lists not only fees but Internal Service Funds. The committee also discussed fees that are renewed every other year so they are listed in the schedule but do not have a revenue total. Those fees would only generate revenue for new registrations so it is hard to develop projections. Rep. Curtis asked if it is possible to get two-year projections for those registrations that are off cycle. Mr. Massey told the committee that the schedule does not show offsetting expenditures. If there is additional fee collection some of that will lapse into the General Fund and those are not listed as part of schedule. The committee also discussed if fees are used to expand programs or just cover costs. Sen. Valentine had concerns with the fee increase by the Dept. of Commerce for collecting annual reports. Rep. Styler responded to questions about the increases on big game permits for residents and non-residents and that those fees had gone through the Regional Advisory Council and the Board of Big Game. Those entities worked with property owners and developed a compromise because private permits are actually much higher. Rep. Morgan asked about the Teacher Licensing Fee increase in Public Ed and Ben Leishman, fiscal analyst, responded that those were requested by the Board of Education. Speaker Stephens commented on items 136 and 153 on page of the 6 yellow document for Fairness Hearings and the Special Assessment fee. Stan Eckersley addressed those fees and Kevin Walthers, Fiscal Analyst, explained how ISF money is not part of the revenue stream and those funds are rolled together so the subcommittees really don't have extra money, neither do they lose money when there are decreases in those funds. Page 19 of the white motions packet lists the entire reduction and that amount is put back into regular budget on page 15 line 92. Speaker Stephens asked if there was an actuarial reason for increasing the Lien Recovery Fee and Rep Curtis asked if that needs to be done this year if it is on a two year cycle.

**Substitute Motion:** Rep. Curtis moved to delete all those fees on a two-year cycle if there is no revenue associated with it this year.

**Amended Motion:** Rep. Curtis moved to delete line 136 Residence Lien Recovery Fund: Special Assessment Fee on the yellow Fee Change Summary.

The motion passed the Senate unanimously and passed the House with Rep. Styler voting no.

**Motion:** Sen. Blackham moved to approve all of the items included in the packet entitled "Motion Sheet - Executive Appropriations Committee" dated Friday, February 27, 2004. this packet includes motions regarding intent language, fees, budgets, compensation, revenue, and authority to prepare the Appropriations Act, Supplemental Appropriations Act, and School Finance Act. This also includes on page 12 of the white packet the insertion of "in December" on the second to last motion as well as all amendments made by previous actions of the committee on Feb. 27, 2004.

The motion passed unanimously in the Senate and passed in the House with Reps. Jones, King and Morgan voting no.

### **3. Additional Motions**

**Motion:** Rep. Curtis moved that it is the intent of the Legislature to recognize the additional cost of training and or testing related to being recognized as a "Highly Qualified Teacher" and encourage the state and local school districts give consideration to funding the additional out of pocket expense that current certified teachers will be asked to bear a high priority. This funding should be part of the quality teaching block grant.

The motion passed unanimously in the Senate and passed in the House with Reps. Alexander and Speaker Stephens voting no.

**Motion:** Rep Curtis moved that it is the intent of the Legislature the Utah Retirement Systems study the possibility of establishing a program whereby qualified Utah money managers could manage part of the state's retirement fund and report to the Legislature on any progress or with an explanation as to why such a program would not be in the best interests of the state and/or the fund.

Sen. Waddoups asked if there is a cost to this study and Rep. Curtis replied that it is relatively inexpensive and could be done internally. Sen. Valentine commented that his impression was that the issue was not with money managers but investment in venture capital.

The motion passed the House with Reps. Morgan and Jones voting no and passed the Senate with Sens. Hale and Dmitrich voting no.

**Motion:** Rep. Curtis moved that it is the intent of the Legislature that the state court system examine the possibility of establishing an electronic filing system which could be used for most, if not all documents filed within the state courts system and report to the Legislature when such a system could be in place, how much it would cost and whether or not a self-funded system is a feasible alternative.

The motion passed unanimously in both the House and the Senate.

**Motion:** Rep. Curtis moved that it is the intent of the Legislature that beginning in Fiscal Year 2005 that the Primary Care Network authorized in the Medicaid Program shall have it's funding reduced by \$1.3 million in state funds and these state funds and their accompanying federal matching funds shall be transferred by the Department of Health to increase hospital inpatient and outpatient Medicaid reimbursement. It is further the intent of the Legislature that the Department of Health shall not propose or implement any Medicaid reimbursement reductions to hospitals for either inpatient or outpatient services without first appearing before the Executive Appropriations Committee and receiving prior express approval from that Committee for any reductions proposed.

Rep. King requested an explanation of the Primary Care Network. Rep. Curtis responded that it is a Medicaid program implemented under Gov. Leavitt and it is a waiver program for low income. This motion would cap that program. Rep. Bigelow commented that it may not be possible to do this through intent language. Sen. Valentine commented that as this is a waiver program it allows certain people to be in it and it expands. If this funding is taken out there will be a loss of federal funds which will reduce the number of those who participate. Governor Leavitt was trying to encourage broader utilization. Rep. Curtis withdrew the motion.

**Motion:** Rep. Alexander moved that it is the intent of the Legislature that funds appropriated for Out-of-home Care in the Division of Child and Family Services not lapse at the end of FY 2004. It is further the intent of the Legislature that these funds be used for Out-of-home Care programs.

Thor Nilsen, Fiscal Analyst, explained that this is duplicative and already in the bill. Rep. Alexander withdrew the motion. It was also explained that the motion to prepare the bill was included in the packet and staff will prepare the bill over the weekend.

**Motion:** Sen. Blackham moved to adjourn. The motion passed unanimously in both Houses.  
Meeting adjourned at 10:35 p.m.  
Minutes reported by Sharon Johnson, Secretary.

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Sen. Leonard Blackham, Co-Chair

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Rep. Ron Bigelow, Co-Chair